

# The Cost of Good Intentions:

## Gentrification and Homelessness in Upper Manhattan



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Gentrification—urban residential change—is a phenomenon occurring in neighborhoods across New York City. Typically, they see an influx of wealthier, more educated residents. On one hand, these newcomers revitalize once poverty-stricken areas through investment in infrastructure, increased economic activity, job creation, and reduced crime. On the other hand, housing costs simultaneously increase, with revitalization of the housing stock presenting new challenges for low-income families in these areas.<sup>1</sup>

In Manhattan, gentrification has worked its way from the southern tip of the island in the early 1980s, to its most northern neighborhoods in 2006—Harlem and Washington Heights. But what will its impact be? Will it create a new influx of homeless families from these neighborhoods? What changes are occurring there and what, if anything, can be deduced from them?

In order to answer these questions, the Institute for Children and Poverty looked at five neighborhoods: Park Slope in Brooklyn for comparison, and West, Central, and East Harlem, and Washington Heights in upper Manhattan, communities either already in the process or on the verge of gentrification. In addition, four potential indicators of gentrification—income, education, rents, and housing values—were examined.<sup>2</sup> The most recent data for the analysis were drawn from the 1990 and 2000 Census. Additionally, data from the 2002 and 2005 New York City Housing and Vacancy Surveys were used to confirm the trends.<sup>3</sup>

### Income

Household income is one of the primary indicators of gentrification. As old neighborhoods undergo revitalization, they attract new, more affluent residents.<sup>4</sup> Table 1 presents the change in median household income in five neighborhoods over a ten-year period. Three of the five (Park Slope, Central Harlem, and East Harlem) experienced significant increases in household income between 1990 and 2000, indicating gentrification there may be well under way. In fact, Park Slope demonstrates an even more charged case, as this area has reached an advanced level of gentrification that is forcing even middle-income families to other parts of the city to make room for the significantly higher income families replacing them.<sup>5</sup>

The two remaining districts, West Harlem and Washington Heights, experienced virtually no change in income, suggesting

**Table 1. Median Household Income  
by Year and Percent Change**

Neighborhood	1990	2000	% Change
Park Slope	\$44,224	\$53,090	20
Central Harlem	\$17,289	\$19,920	15
East Harlem	\$19,416	\$21,295	10
Washington Heights	\$28,441	\$28,865	1
West Harlem	\$27,104	\$27,365	1

*Source: Population Division-NYC Dept. of City Planning; U.S. Census Bureau, 1990 & 2000 Census*

that they either have not yet begun the gentrification process or are at the very early stages of it. If so, it is only a matter of time before these residents face being priced out of their neighborhoods.

### Education

Change in the education levels of residents can also be a key indicator of gentrification. Families and individuals moving into gentrifying areas often have higher levels of education, and thus higher earning potential, than current residents.<sup>6</sup> Table 2 shows the percent change of residents over the age of 25 with a college education between 1990 and 2000.

**Table 2. Percent of College Graduates over 25  
by Neighborhood**

Neighborhood	1990	2000	% Change
Park Slope	42.3	53.6	27
Central Harlem	10.4	14.5	39
East Harlem	11.5	14.4	25
Washington Heights	16.6	19.3	16
West Harlem	26.5	28.0	6

*Source: Population Division-NYC Dept. of City Planning; U.S. Census Bureau, 1990 & 2000 Census*

The largest changes were in Central Harlem, East Harlem, and Park Slope, with increases of between 25% to 39%. Park Slope's change is not surprising, as it is experiencing a second wave of gentrification. In contrast, a modest increase of only 16% was seen in Washington Heights, while little change occurred in West Harlem, with only a 6% increase in the college-educated population. However, it should be noted that the percent of college graduates is twice as high in West as in Central or East Harlem, due to the location there of numerous institutions of higher education.<sup>7</sup> In any case, it would appear

that if change in education levels is an indicator of gentrification, Washington Heights and West Harlem are again only at the beginning of the process.

## Rents

Along with household income and education levels, changes in housing costs are also an indicator of neighborhood gentrification. The arrival of new residents with higher education and income levels accelerates economic and social change, particularly in the demand for rental housing. As differences grow between current and future property values, rents increase.<sup>8</sup> Table 3 shows a significant percentage increase in median gross rents from 1990 to 2000 in all neighborhoods.

Neighborhood	1990	2000	% Change
Park Slope	\$728	\$859	18
Central Harlem	\$413	\$483	17
East Harlem	\$415	\$463	12
Washington Heights	\$568	\$644	13
West Harlem	\$533	\$600	13

Source: Population Division-NYC Dept. of City Planning; U.S. Census Bureau, 1990 & 2000 Census

Park Slope continues its strong gentrification trend with an 18% increase, followed by Central Harlem with 17%. The remaining neighborhoods experienced basically equal rent increases: West Harlem 13%, East Harlem 12%, and Washington Heights 13%. As a result, it would appear that changes in median gross rents again support the impression that gentrification is under way in these neighborhoods.

## Housing Values

Directly related to changes in median rents are housing values, as the latter pushes the former either higher or lower. Consequently, housing values can also be a strong indicator of gentrification. As Table 4 demonstrates, median housing values increased significantly in each neighborhood, with the exception of Central Harlem. The greatest changes were in West Harlem with a 91% increase and East Harlem with a 165% increase, practically doubling and tripling values in those areas respectively. Following in order were Park Slope with 39%, Washington Heights with 24%, and Central Harlem with 10%.

Both Central Harlem and Washington Heights now have median housing values in the area of \$250,000. With incomes in the low- to mid-twenty thousand-dollar range, most low-

income families in these neighborhoods cannot afford to purchase a home there (the minimum income level required by conventional lenders is three times higher than the median household income in these locations).<sup>9</sup>

Neighborhood	1990	2000	% Change
Park Slope	\$385,191	\$537,425	39
Central Harlem	\$227,648	\$250,000	10
East Harlem	\$91,483	\$242,105	165
Washington Heights	\$197,924	\$245,000	24
West Harlem	\$220,104	\$420,270	91

Source: Population Division-NYC Dept. of City Planning; U.S. Census Bureau, 1990 & 2000 Census

Eventually, many low-income families will be displaced and some perhaps will face becoming homeless. In fact, this is currently the case in Washington Heights where some 15,000 families are in housing court facing possible eviction primarily due to an inability to pay escalating rents.<sup>10</sup>

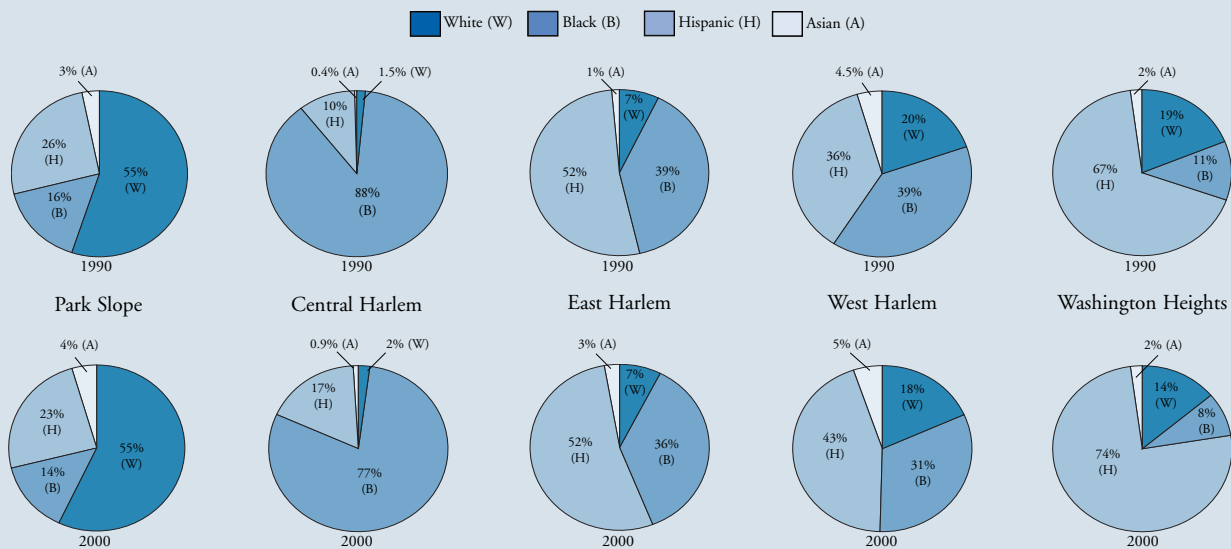
## Race

A redistribution of the racial composition of neighborhoods can be a byproduct of the gentrification process. While the levels of indicators such as housing values, rents, education, and income increase when a neighborhood undergoes gentrification, minority populations generally decrease.<sup>11</sup> In Park Slope, increases in the white population were met with decreases in the number of Black and Hispanic residents living there (see Table 5).

Neighborhood	White	Black	Hispanic	Asian
Park Slope	1	-14	-7	39
Central Harlem	45	-5	79	145
East Harlem	9	-2	7	101
Washington Heights	-24	-22	16	2
West Harlem	-5	-16	25	20

Source: Population Division-NYC Dept. of City Planning; U.S. Census Bureau, 1990 & 2000 Census

In upper Manhattan, Blacks, who historically have made up the largest racial group in West and Central Harlem,<sup>12</sup> saw their numbers decline in all four neighborhoods, with the greatest decreases in Washington Heights (23%) and West Harlem (17%). In contrast, the population of Hispanic residents increased in all neighborhoods except Park Slope, with the greatest change seen in Central and West Harlem, 79% and 25% respectively. Hispanics have been the largest minority group in Washington Heights and East Harlem since the

**Figure 1. Racial Composition in Each Neighborhood, 1990 & 2000**

Source: Population Division-NYC Dept. of City Planning; U.S. Census Bureau, 1990 & 2000 Census

1970s, and in the period between 1990 and 2000, they have also become the largest racial group in West Harlem (see Figure 1).

All areas except West Harlem and Washington Heights have experienced an influx of whites displacing minority residents, with Central and East Harlem seeing increases of 45% and 9%, respectively.

Although the Asian population has increased in each neighborhood except Washington Heights, their overall proportions remain small (less than 6%).

## Conclusion

Increases in income, education, rent, and housing value levels suggest that all five neighborhoods under review here are to some extent undergoing gentrification. Low-income families from Washington Heights and West Harlem seem to be particularly vulnerable. As their neighborhoods teeter on the brink of change, they run the risk of being pushed out of their homes.

In fact, the New York City Department of Homeless Services (DHS) reports that Manhattan families are the fastest growing segment of those applying for shelter within the city, a significant change from historical trends.<sup>13</sup> Moreover, Hispanic families are the second largest race group within the shelter system and their numbers continue to grow. It would appear that it is here that gentrification and homelessness intersect.

In September 2004, DHS formed partnerships with community-based organizations in six of the highest-need community

districts in the city to prevent new cases of homelessness.<sup>14</sup> Known as HomeBase, the program provides on-site services or referrals, meant to mitigate housing instability—job training and placement, eviction prevention, mediation, benefits advocacy, legal services, and substance abuse counseling.<sup>15</sup>

Through the end of December 2005, the HomeBase program had served over 2,000 families with children at an estimated cost of \$3.4 million.<sup>16</sup> To date, HomeBase has underspent a significant portion of its direct assistance budget, so it remains to be seen how financially and programmatically effective these efforts will be. Nonetheless, prevention should be both cheaper and preferable to sheltering a family and the first course of action in sustaining neighborhoods. As gentrification gets under way in Washington Heights and West Harlem, it is a revamped and targeted HomeBase program that can be the primary tool to prevent a new wave of family homelessness from those areas. If not, it is quite possible that Hispanic families from these districts will be calling a shelter their home.

## Notes

- <sup>1</sup> Brett Williams, "Gentrification," ed. David Levinson, *Encyclopedia of Homelessness*, vol. 1 (Thousand Oaks, CA: Sage, 2004). Benjamin Grant, "What is Gentrification?" [Cited 14 February 2006]. <[http://www.pbs.org/pov/pov2003/flagwars/special\\_gentrification.html](http://www.pbs.org/pov/pov2003/flagwars/special_gentrification.html)>. Nancy Beth Jackson, "If You're Thinking of Living In/Inwood; Away From Manhattan Without Leaving," *New York Times*, 15 December 2002.
- <sup>2</sup> Margery A. Turner and Christopher Snow, "Leading Indicator of Gentrification in DC Neighborhoods," *DC Policy Forum*, 14 June 2001.
- <sup>3</sup> United States Census Bureau, "New York City Housing and Vacancy Survey 2002." [Cited 14 February 2006]. <[www.census.gov](http://www.census.gov)>. Moon Wha Lee, New York City Department of Housing Preservation and Development, "Selected Findings of the 2005 New York City Housing and Vacancy Survey," 10 February 2006. [Cited 17 February 2006]. <<http://www.nyc.gov/html/hpd/html/pr/vacancy.shtml>>.

- <sup>4</sup> Turner and Snow, "Leading Indicator of Gentrification in DC Neighborhoods."
- <sup>5</sup> Tom Slater, "Comparing Gentrification in South Parkdale, Toronto and Lower Park Slope, New York City: A 'North American' Model of Neighborhood Reinvestment?," *CNR Paper*; 11 April (2003): 34-44.
- <sup>6</sup> Turner and Snow, "Leading Indicator of Gentrification in DC Neighborhoods."
- <sup>7</sup> There are a total of eight post-secondary institutions in West Harlem alone: Bank Street College of Education, Barnard College, City College, Columbia University, Jewish Theological Seminary, Manhattan School of Music, Teachers College, and Union Theological Seminary.
- <sup>8</sup> Neil Smith, "Gentrification and the Rent Gap," *Annals of the Association of American Geographers* 77 (1987): 462-465.
- <sup>9</sup> Janet Wickell, "Analyzing Your Debt to Income Ratio." [Cited 14 February 2006].  
<[http://homebuying.about.com/cs/mortgagearticles/a/debt\\_to\\_income.htm](http://homebuying.about.com/cs/mortgagearticles/a/debt_to_income.htm)>
- <sup>10</sup> "A Housing Crisis and a Strategy," *El Diario*, 7 December 2005.
- <sup>11</sup> Grant, "What is Gentrification?"
- <sup>12</sup> Richard Schaffer and Neil Smith, "The Gentrification of Harlem?" *Annals of the Association of American Geographers* 76 (1986): 347-365.
- <sup>13</sup> New York City Department of Homeless Services, "Critical Activities Report Family Services-Fiscal Year 2006," [Cited 14 February 2006].  
<<http://www.nyc.gov/html/dhs/html/about/car.shtml>>.
- <sup>14</sup> The highest-need community districts are those areas that draw the most families into the system.
- <sup>15</sup> For a more in depth discussion of HomeBase see New York City Department of Homeless Services, "Mayor Michael R. Bloomberg Outlines Aggressive Timeframe and Targets for Implementation of Five-Year Action Plan to Drastically Reduce Homelessness," 22 September 2004.  
<<http://www.nyc.gov/html/dhs/html/press/pr092204.shtml>>.
- <sup>16</sup> NYC Department of Homeless Services, "Preventing Homelessness in New York City," *The National Conference on Ending Family Homelessness*, Oakland, CA, 26 January 2006.

*Homes for the Homeless* (HFH) is a private, non-profit organization based in New York City that operates American Family Inns. Since 1986, HFH has worked to break the cycle of poverty and dependence among homeless families through education-based services.

The *Institute for Children and Poverty* is an independent research and policy think tank that works in close association with Homes for the Homeless. Through the development of effective public policy initiatives and the dissemination of quantitative research findings, the Institute examines and offers unique strategies to combat the impact of homelessness and poverty on the lives of children and their families.

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#### *Communities of Opportunity*

At Homes for the Homeless (HFH) we believe that the key to ending homelessness lies in a continuum of services that meet the multiple needs of homeless families. This continuum is grounded in education and must address both the primary needs of families as well as provide them with the tools they need to break the cycle of homelessness and poverty. For this reason HFH created the American Family Inn—a *Community of Opportunity* for homeless families.

*"It takes a community to end homelessness."*

Leonard N. Stern, *Founder & Chair*     Ralph Nunez, *President & CEO*

### Also by the Institute for Children & Poverty and Homes for the Homeless

#### Books

*Moving Out, Moving Up: Families Beyond Shelter*. New York: White Tiger Press, forthcoming Spring 2006.

*Homeless in America, Part Two: A Statistical Reader*. New York: White Tiger Press, 2005.

*Beyond the Shelter Wall: Homeless Families Speak Out*. New York: White Tiger Press, 2004.

*A Shelter is Not a Home...Or Is It?* New York: White Tiger Press, 2004.

*The American Family Inn Handbook: A How-To Guide*. New York: White Tiger Press, 2002.

*Homeless in America: A Children's Story, Part One*. New York: The Institute for Children & Poverty, 1999.

#### Children's Books

*Voyage to Shelter Cove*. New York: White Tiger Press, 2005.

*Saily's Journey*. New York: White Tiger Press, 2002.

*Cooper's Tale*. New York: Homes for the Homeless, 2000.

*Our Wish*. New York: Homes for the Homeless, 1997.

#### Journal

*Journal for Children and Poverty*.

#### Reports

*The Instabilities of Housing Stability Plus: Looking Forward From Year One*

*A Tale of Two Counties: Family Homelessness in Connecticut*

*Children Having Children: Teen Pregnancy and Homelessness in New York City*

*Miles to Go: The Flip Side of the McKinney-Vento Homeless Assistance Act*

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